

October 20, 2016

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street NW  
Washington, DC 20554

**VIA ECFS**

***RE: In the Matter of Connect America Fund, WC Docket No. 10-90***

Dear Ms. Dortch:

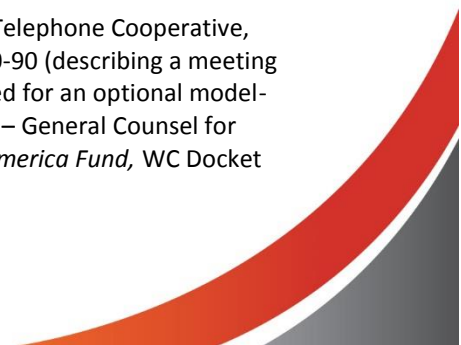
On October 20, 2016 the undersigned met with Carol Matthey, Suzanne Yelen, Katie King and Alexander Minard of the Wireline Competition Bureau. The purpose of the meeting was to discuss 1) budget control mechanisms associated with implementation of the Alternative – Connect America Model (“A-CAM”); and 2) application of the federal universal service charge (“FUSC”) to the transmission component of broadband services offered by rural, rate-of-return incumbent local exchange carriers (“RLECs”).

Blackfoot has been a long-time supporter of RLEC’s having an option for model-based USF support.<sup>1</sup> Blackfoot understands and appreciates the Federal Communications Commission’s (“Commission”) goal of targeting limited A-CAM funds to areas that currently lack the ability to deploy broadband speeds of at least 10/1 Mbps. That said, any budget control mechanism should not have the effect of precluding any RLEC that is currently eligible to continue to be eligible to elect A-CAM support. Instead, any budget controls for the A-CAM support methodology must be designed in such a way to ensure that as many RLECs as possible continue to have a choice to elect model-based support.

Broadband networks, especially in remote portions of rural America where climate, geological and weather conditions are often harsh, need significant capital investment to be able to maintain current broadband capabilities. Put differently, just because an RLEC is capable of delivering 10/1 Mbps in some census blocks today does not mean that, without sufficient and predictable USF support, they will continue to be able to deliver 10/1 Mbps tomorrow. Moreover, RLECs like Blackfoot will need to make significant capital investments to be able to meet growing customer demand for

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<sup>1</sup> See, e.g. Letter from Jason B. Williams, Vice President – General Counsel of Blackfoot Telephone Cooperative, Inc., dated October 30, 2014, *In the Matter of Connect America Fund*, WC Docket No. 10-90 (describing a meeting among Blackfoot and Chairman Wheeler discussing a number of items including the need for an optional model-based USF support mechanism for RLECs); Letter from Jason B. Williams, Vice President – General Counsel for Blackfoot Telephone Cooperative, Inc., dated April 21, 2015, *In the Matter of Connect America Fund*, WC Docket No. 10-90 (urging the Commission to adopt the A-CAM to as soon as possible).



broadband speeds beyond 10/1 Mbps. For Blackfoot, the predictability offered with the ACAM is best method to meet that growing demand.

Just as important, keeping the ACAM option available to as many RLECs as possible will benefit rural consumers. In electing the A-CAM, RLECs will have the flexibility to design, price and sell broadband products in a way that the current USF rules either prohibit or make overly complex. Blackfoot is already well underway in over-hauling its product offerings as a result of being relieved from overly complex USF regulations. Blackfoot's customers will be the beneficiaries of this innovation.

Lastly, Blackfoot discussed the need to provide greater clarity related to the issue of whether the transmission component of an RLEC's broadband services is exempt from the FUSC. Blackfoot has already detariffed the DSL portion of its broadband service offerings and believes, consistent with Commission precedent, that it need no longer assess FUSC on the transmission component of its broadband services. Blackfoot believes clarification from the Commission is necessary so that RLEC's that elect to stop charging FUSC are not challenged by the Universal Service Administration Corporation.

Sincerely,

*/s/ Jason Williams*

Jason B. Williams  
Chief Operating Officer

CC: Carol Matthey  
Suzanne Yelen  
Alex Minard  
Katie King